

# **TOWN OF ENFIELD SMALL BUSINESS DEVELOPMENT FUND GUIDELINES**

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## **PROGRAM DESCRIPTION**

### **Purpose:**

The Town of Enfield, through its Office of Community Development (OCD), is offering financial assistance to small business owners who plan to start or expand a business in the Thompsonville Village Center District. The purpose of Small Business Development Fund is to encourage private commercial investment in the Thompsonville area through a combination of public loans and private financing. These investments will be made to help revitalize the traditional downtown center of Enfield and provide jobs and services to local residents.

### **Goals:**

The overall goals of the program are as follows:

1. To attract and retain small businesses in Thompsonville that will help to spur further private investment and reinvestment in the target area.
2. To stabilize and improve the current business, commerce, institutional, housing, and job market climate within the village center.
3. To increase the availability of goods and services in Thompsonville by utilizing vacant or abandoned commercial buildings and storefronts.
4. To create a quality of life that is appealing to residents, property owners, investors, and visitors alike.
5. To create a revolving loan fund for small business development in Thompsonville.

### **Program Funding:**

Funding for the Small Business Development Fund (SBDF) comes from the U.S. Department of Housing & Urban Development through the Town of Enfield, which aims to improve the communities through business investment and improved local services.

### **Financial Assistance:**

The SBDF provides below market rate loans of up to \$15,000 for the following approved categories:

- The purchase or acquisition of business property, equipment, or other fixed assets
- Working capital for the operation / management of the business
- Employee recruitment, retention, and training practices
- The expansion of an existing business including new space, new hires, and renovations / remodeling.

Projects that leverage other public or private funds which increase the scope of the improvements will be considered more favorable than proposals that do not.

**Loan Rates:**

SBDF rates are set by the Town's Loan Review Committee on a case by case basis. Generally, rates are set at or below the monthly average Wall Street Journal Prime Rate.

**Loan Terms:**

SBDF terms are set by the Town's Loan Review Committee on a case by case basis. Generally terms will not exceed 20 years in duration. Loans payments may be deferred for a pre-determined time frame set by the Loan Review Committee. Loans will be repaid in order to recapitalize the SBDF.

**Incentives:**

Consistent with the goals of the SBDF, borrowers who remain in the TVCZ for a term of five (5) continuous years, and who have demonstrated a history of responsible business practices, will be eligible to have up to 50% of their remain small business loans forgiven. Eligible businesses will be required to apply for the forgiveness incentive, and will be required to attend a Loan Review Committee hearing prior to receiving the incentive. All incentive terms and conditions shall be set by the Loan Review Committee.

**PROGRAM REQUIREMENTS**

**Eligibility / Target Area:**

Consistent with the Town's goals and objectives to revitalize Thompsonville, the SBDF will be offered to applicants who proposed to start or expand a business in the Thompsonville Village Center Zoning District (TVCZ).

Applications will be reviewed on a first-come, first served basis. Funding will only be awarded to those projects that best meet the program's goals and objectives. Please contact the OCD for eligibility information at 860-253-6390.

**Small Business Definition:**

For the purposes of the Town's SBDF, "Small Business" shall mean:

- A business or company with 10 employees or less
- A business where the owner(s) either live or work within the Town of Enfield
- Limited to approved TVCZ businesses uses including Retail, Restaurant, Entertainment, & Personal Services

**Collateral / Personal Property**

All SBDF Borrowers are required to provide a 50% loan guarantees through collateral, cash, or other personal property. Collateral items include:

- Homes / Real Estate
- Personal Property i.e. Automobiles
- Business Equipment
- Stocks & Bonds
- Insurance Policies
- Retirement Funds

**Mortgage:**

All loans are secured through a mortgage note and lien on the subject property or other personal property held by the borrower. It is your responsibility to ensure repayment of the loan within the agreed terms. There is no penalty for early payoff.

**OWNER RESPONSIBILITIES****Permits & Regulations:**

It shall be the business owner's responsibility to apply for, and obtain any local, State or Federal approvals and, or permits for the proposed business including:

- Building Department
- Health District
- Planning & Zoning Commission
- Fire District
- Historic District
- Environmental / Inland Wetlands
- Alcohol Control Board
- State Department of Revenue
- And any other applicable approvals or permits required for the business

**Transfer of Business / Sale of Property:**

In the event that the property and, or business is sold or conveyed prior to the end of the loan term, the balance will become due at the point of sale or transfer. However, it is a stated goal of this program to provide stability to the target area. Therefore, it is strongly recommended that applicants demonstrate a commitment to the property, and make every reasonable effort to retain ownership of the property during the life of the loan.

**Non-Discrimination:**

Discrimination because of race, color, sex or sexual orientation, religion, age, national origin, disability or veteran's status is prohibited by law. The Town of Enfield actively supports this legislation. EOE/AA/M/F

**OFFICE USE ONLY**

Date/ Time Received Complete:

Case #:

Date: \_\_\_\_\_

**Town of Enfield**  
**Small Business Development Fund Application**

Applicant(s): \_\_\_\_\_ M F  
(LAST) (FIRST) (MI)

\_\_\_\_\_ M F  
(LAST) (FIRST) (MI)

Current Address: \_\_\_\_\_  
Street/ Apt. # City/Town State Zip

If you have lived at this address for less than two years please list previous address:

\_\_\_\_\_

Social Security # \_\_\_\_\_ - \_\_\_\_\_ - \_\_\_\_\_ (Primary Applicant)

Telephone # (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_ (Primary Applicant)

Email Address: \_\_\_\_\_ (Primary Applicant)

**CIVIL RIGHTS COMPLIANCE: (Primary Applicant)**

**Racial Identity:** \_\_\_\_\_Asian \_\_\_\_\_Black \_\_\_\_\_Eskimo / Aleutian \_\_\_\_\_White  
\_\_\_\_\_Pacific Islander \_\_\_\_\_Cape Verdean \_\_\_\_\_Native American  
\_\_\_\_\_Other

**Ethnicity:** \_\_\_\_\_Hispanic \_\_\_\_\_Non-Hispanic

**Female Head of Household:** Yes No

**Household Member Disabled:** Yes No

**REQUESTED LOAN AMOUNT \$** \_\_\_\_\_

**Please provide a detailed description of what is intended for the Small Business Development Fund. Attach supporting documentation to the back of this application.**

[illegible]

## INCOME & EMPLOYMENT

Please list all income of all business owners and partners. Also list the gross monthly amount of income received. List the position from which income is received, if applicable. List employment information from the last 10 years

### INCOME

Household Member/Applicant	Social Security #	DOB	Relationship to Applicant	Gross Annual Income	Position

### EMPLOYMENT

Household Member/Applicant(s)	Employer/ Address	Name of Supervisor	Length of Employment	Telephone #

**Please attach copies of (4) recent payroll stubs for all working household members.**

**INCLUDE A COPY OF THE TWO MOST RECENT FEDERAL TAX RETURN INCLUDING ALL W-2 AND 1099S FOR EACH HOUSEHOLD MEMBER OVER THE AGE OF 18 YEARS OF AGE.**

**ACCEPTABLE DOCUMENTATION.** You must provide documentation for all income as described below.

**1. Applicants receiving wages:**

Four of your most recent pay stubs or letter from your employer on their company stationary stating your gross pay for the last four weeks.

**2. Applicants who are self employed:**

You must submit copies of the last four (4) quarterly tax payments.

**3. Applicants receiving unemployment benefits:**

Your most recent unemployment check stubs or a letter from unemployment stating amount of benefits and the date benefits began.

**4. Applicants receiving Social Security benefits:**

A letter from Social Security stating your benefits or a copy of your most recent check or a bank statement.

**5. Applicants receiving a Pension or Disability Compensation:**

A letter from the source of the pension stating your benefits and how long you have been receiving them or a copy of your most recent check. Also, proof of disability, if receiving disability income.

**6. Applicants receiving Public Assistance:**

Provide a letter from the Department of Social Service stating, your benefits and how long you have been receiving them.

**7. Interest/ Dividends if over \$100.00 per year:**

A letter from the source of income stating the amount of interest earned in the last twelve months.

**8. Alimony/ Child Support:**

A copy of the most recent check for one month's alimony/ child support or a copy of the court order or a letter from your lawyer stating the amount received and the date you started receiving funds.

**FULL TIME STUDENTS:** For any household member over 18 considered a full time student please provide documentation from school describing enrollment status.

**ASSETS/LIABILITIES**

<b>Assets:</b>	<b>Balance</b>	<b>Account #</b>	<b>Bank/Finance Co.</b>
Checking:	\$		
Savings:	\$		
CD/IRA:	\$		
Other:	\$		

<b>Liabilities:</b>	<b>Monthly Payment</b>	<b>Account #</b>	<b>Creditor</b>
Credit Card:	\$		
Credit Card:	\$		
Loan:	\$		
Loan:	\$		

*Please attach all other supporting information to this application form.*

### **COLLATERAL ITEMS**

**Please list any collateral items to be used as security for this loan. Examples of collateral are: real estate, personal property, or financial assets not listed above.**

<b>Property Type</b>	<b>Year Acquired</b>	<b>Original Cost</b>	<b>Market Value</b>	<b>Current Balance</b>	<b>Name of Lien-holder or Bank</b>
		\$	\$	\$	

### **LENDING INSTITUTION**

**Please list any Banks or Lending Institutions that will be contributing towards the proposed project or that currently hold loans for your business. The OCD may contact your lending institution to verify your financial information.**

Name of Institution: \_\_\_\_\_

Loan Officer / Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_

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*I/We certify that the above information is correct to the best of my knowledge, and I/We authorize the Enfield OCD to verify the facts stated. I/We also understand giving false statements or information will automatically terminate this application. I/We certify that this application does not in any way constitute a binding agreement between the Enfield SBDF Program and the said applicant(s) for the funding assistance. I/We have read and fully understand the SBDF Program guidelines provided to me with this application, including all intake procedures for the program.*

Applicant 1 signature: \_\_\_\_\_ Date: \_\_\_\_\_

Applicant 2 signature: \_\_\_\_\_ Date: \_\_\_\_\_